

October 1, 2003

The Honorable M. Michael Rounds  
Governor of South Dakota  
Pierre, South Dakota 57501-5070

Dear Governor Rounds:

I am responding on behalf of the U.S. Nuclear Regulatory Commission (NRC) to your letter of August 18, 2003, describing the proposal for developing a deep underground laboratory in South Dakota and also the decision to establish a Scientific and Technological Facilities Authority. You requested that we make available NRC staff who could help formulate the regulatory processes appropriate to the underground laboratory. The NRC staff does have a broad range of expertise, including some potentially relevant experience regarding risk management and regulatory risk assessments for an underground disposal facility at the potential repository at Yucca Mountain, Nevada. However, I would like to mention that other government agencies (e.g., Mine Safety and Health Administration, Department of Labor ) also have valuable experience with underground mine safety. In addition, I should point out that the NRC is a fee-based agency and must recover most of its expenses by charging its licensees for regulatory oversight. Thus, our ability to commit resources to assist activities not focused on regulation of radioactive material is very limited. Nonetheless, we will provide assistance to the extent we can, consistent with our statutory authority.

I recommend that a member of your staff contact Paul Lohaus, Director of the Office of State and Tribal Programs. Working with your staff, Mr. Lohaus can better define the appropriate level of effort that the NRC staff may be able to contribute to this important project. Mr. Lohaus can be reached at 301-415-3340.

I trust that this reply responds to your concerns.

Sincerely,

**/RA/**

Nils J. Diaz